

## Message Text

CONFIDENTIAL

PAGE 01 BANGKO 08142 01 OF 02 170942Z  
ACTION EA-12

INFO OCT-01 ISO-00 SS-15 SSO-00 CCO-00 A-01 OC-06  
CPR-01 SY-05 HA-05 /046 W  
-----022420 171003Z /20  
P 170610Z MAR 78  
FM AMEMBASSY BANGKOK  
TO SECSTATE WASHDC PRIORITY 1809

C O N F I D E N T I A L SECTION 1 OF 2 BANGKOK 8142

STADIS//////////

EO 11652: GDS  
TAGS: PEPR, TH, US  
SUBJ: ISSUES FOR VICE PRESIDENT'S VISIT

REF: A. STATE 062372; B. STATE 065815; C. BANGKOK 7012

SUMMARY: FOLLOWING ARE THE EMBASSY'S COMMENTS ON ISSUES  
FOR THE VICE PRESIDENT'S VISIT TO THAILAND, USING THE  
SUBJECT HEADINGS IN REF A AND WITH THE ADDITION OF TWO  
SUPPLEMENTARY SUBJECT HEADINGS. END SUMMARY.

1. EMBASSY AGREES WITH RANGE AND SCOPE OF ISSUES FOR  
VICE PRESIDENT'S VISIT DISCUSSED IN REF A. OUR COMMENTS,  
FOLLOWING SUBJECTS IN REF A AND WITH TWO ADDITIONAL  
SUBJECT HEADINGS, ARE AS FOLLOWS:
2. US POSTURE IN ASIA: WE BELIEVE FORMULATION IN  
REF A IS THE RIGHT ONE. IN REAFFIRMING OUR COMMITMENT TO  
THAILAND UNDER THE MANILA PACT, WE BELIEVE THE VICE  
PRESIDENT SHOULD MAKE NO RPT NO REFERENCE TO RUSK-THANAT  
JOINT STATEMENT. RTG HAS NOT RPT NOT BROUGHT THIS MATTER  
UP RECENTLY, AND WE WOULD NOT EXPECT RUSK-THANAT ISSUE  
TO COME UP DURING VISIT. IF VICE PRESIDENT IS ASKED, HE  
MIGHT POINT OUT THAT MANILA PACT REMAINS A TREATY  
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PAGE 02 BANGKO 08142 01 OF 02 170942Z

OBLIGATION OF THE UNITED STATES, SANCTIONED BY THE CON-  
STITUTION. WE DOUBT THE THAI WILL SEE THE DISTINCTION  
BETWEEN "SPECIAL FRIENDSHIP" AND "SPECIAL RELATIONSHIP"  
BUT WE BELIEVE THE VICE PRESIDENT WILL WISH TO ALLUDE  
TO OUR LONG-STANDING FRIENDSHIP AND CONTINUING CLOSE  
RELATIONS WITH THAILAND.

3. BILATERAL RELATIONS: KRIANGSAK IS KEENLY SENSITIVE TO HIS OWN IMAGE AND THAT OF HIS GOVERNMENT. SINCE TAKING OFFICE HE HAS MOVED QUICKLY TO REPAIR THE HARM DONE TO THAILAND'S INTERNATIONAL IMAGE BY THE RIGIDITIES OF THE THANIN GOVERNMENT, PARTICULARLY IN THE HUMAN RIGHTS FIELD. HE ALSO HAS EMBARKED ON A POLICY OF DIALOGUE AND CONCILIATION DOMESTICALLY. KRIANGSAK WILL BE LOOKING FOR A CLEAR SIGN OF USG APPRECIATION AND SUPPORT FOR HIS ACTIONS IN ESTABLISHING A MORE OPEN POLITICAL ATMOSPHERE AND IN COMMITTING HIS GOVERNMENT TO ELECTIONS AND RETURN TO SOME FORM OF CIVILIAN RULE. OBVIOUSLY PRESIDENTIAL INVITATION AS MENTIONED REF A WOULD FIT THE BILL COMPLETELY. IN ANY EVENT, KRIANGSAK IS ALMOST CERTAINLY EXPECTING VICE PRESIDENT TO DEAL WITH POSSIBILITY OF AN INVITATION, WHICH HE WANTS VERY MUCH.

4. KRIANGSAK WILL ALSO BE SEEKING ASSURANCE THAT THAILAND WILL HAVE CONTINUED ACCESS TO US SOURCES FOR MILITARY EQUIPMENT UNDER FMS CREDIT AND CASH SALES PROGRAMS. THE THAI UNDERSTAND OUR GENERAL EFFORTS TO REDUCE THEIR DEPENDENCE ON US SOURCES OF SUPPLY. THE PRIME MINISTER WILL NEVERTHELESS BE PARTICULARLY INTERESTED IN OBTAINING AN EARLY US DECISION TO SELL THAILAND A SECOND SQUADRON OF F-5E'S AND ASSURANCES OF THEIR PROMPT DELIVERY. THE THAI REQUEST FOR F-5E'S IS REPORTED IN REF C.

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PAGE 03 BANGKO 08142 01 OF 02 170942Z

5. NARCOTICS CONTROL: EMPHASIS IN REF A SEEMS TO US TO BE ABOUT RIGHT AT THIS POINT. IMPENDING DEVELOPMENTS RELATING TO CHANG CHI FU'S SCHEDULED EXPULSION AND THE POSSIBLE IMPROVEMENT IN RELATIONS WITH BURMA WILL IN GREAT MEASURE DETERMINE THE VICE PRESIDENT'S APPROACH IN DISCUSSING OUR MUTUAL EFFORTS IN NARCOTICS ENFORCEMENT AREA. WITH REGARD TO CROP SUBSTITUTION, WE REGRETFULLY CONCLUDE THAT, UNTIL THE THAI ARE BETTER ORGANIZED AND HAVE THEIR PLANS FOR DEVELOPMENT OF THE MAE CHAEM WATERSHED IN BETTER SHAPE, IT WOULD BE PREMATURE TO MAKE A SPECIFIC OFFER TO HELP IN ONE OR TWO VILLAGES. VICE PRESIDENT MIGHT SAY HE UNDERSTANDS THAT THAI ARE DEVELOPING THEIR PLANS FOR CROP SUBSTITUTION IN MAE CHAEM WATERSHED AND US AND OTHER FRIENDLY COUNTRIES ARE PREPARED TO HELP. WHEN THAI NEEDS ARE IDENTIFIED, THERE WILL BE AREAS IN WHICH THE US AND OTHER COUNTRIES CAN PROVIDE SIGNIFICANT ASSISTANCE.

6. REFUGEES: WE EXPECT KRIANGSAK TO REITERATE TO VICE PRESIDENT PRESSING THAI CONCERN OVER REFUGEE NUMBERS AND NEED FOR CONTINUED AND EXPEDITIOUS ONWARD MOVEMENT OF ALL REFUGEE BOAT CASES. KRIANGSAK WILL UNDOUBTEDLY POINT TO HIS DECISION, NOW IMPLEMENTED, REINSTITUTING RTG

POLICY OF ACCEPTING BOAT CASES. AT SAME TIME KRIANGSAK  
WILL EXPECT FAIRLY EXPLICIT USG ASSURANCES AS TO THE CON-  
TINUED READINESS OF OURSELVES AND OTHER NATIONS TO  
ACCEPT ALL BOAT CASES. AS DEPARTMENT AWARE, KRIANGSAK'S  
DECISION TO ACCEPT BOAT CASES WAS IN FACE OF STRONG  
OPPOSITION FROM LOWER GOVERNMENTAL LEVELS. THAT DECISION  
WAS JUSTIFIED BY HIM ON THE EXPECTATION THAT THERE WOULD  
BE SUFFICIENT NUMBERS UNDER THE US AND OTHER PROGRAMS IN  
THE COMING MONTHS TO COVER BOAT CASE ARRIVALS AND CURRENT  
CAMP POPULATION.

7. WITH REGARD TO LAND REFUGEES, KRIANGSAK WOULD EXPECT  
VICE PRESIDENT TO DESCRIBE USG VIEWS ON ITS LONG TERM  
POLICY, INCLUDING CONTINUING ACCEPTANCE OF A SIGNIFICANT  
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PAGE 04 BANGKO 08142 01 OF 02 170942Z

NUMBER OF LAND REFUGEES. UNLESS USG STATES ITS WILLINGNESS TO MAIN-  
TAIN FAIRLY SIGNIFICANT PROGRAM FOR LAND REFUGEES, WE WOULD EXPECT  
POLITE THAI RESISTANCE TO GOING BEYOND GENERALITIES ON THE  
QUESTION OF RESETTLEMENT IN THAILAND. CONVERSELY, IF INFORMALLY  
SIGNALLED IN ADVANCE, A CONCRETE, FORTHCOMING USG STATEMENT ON  
OUR LONG-TERM REFUGEE POLICY MIGHT EVOKE A CAUTIOUS BUT POSITIVE  
RESPONSE BY KRIANGSAK, LAYING THE BASIS FOR A DIALOGUE ON RESET-  
TLEMENT AND ON RTG POLICY REGARDING LAND REFUGEES. IN THIS CON-  
TEXT, OFFER OF USG SUPPORT FOR A RESETTLEMENT PROGRAM INVOLVING  
THAI AND REFUGEES WOULD BE MOST USEFUL.

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PAGE 01 BANGKO 08142 02 OF 02 171035Z  
ACTION EA-12

INFO OCT-01 ISO-00 SS-15 SSO-00 CCO-00 A-01 OC-06  
CPR-01 SY-05 HA-05 /046 W  
-----023026 171043Z /14

P 170610Z MAR 78  
FM AMEMBASSY BANGKOK  
TO SECSTATE WASHDC PRIORITY 1810

C O N F I D E N T I A L SECTION 2 OF 2 BANGKOK 8142

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8. FOOD: WE DOUBT THAI WILL SHOW MUCH ENTHUSIASM IN THE IMMEDIATE FUTURE FOR FURTHER DEVELOPMENT OF RICE-PRODUCING CAPACITY. THEY WERE THE LEADING WORLD EXPORTER OF RICE IN 1977 BUT ARE CONCERNED OVER GENERAL RICE MARKET CONDITIONS AND POSSIBILITY THAT INCREASED PRODUCTION MAY RESULT IN LOWER UNIT PRICES AND PERHAPS IN LOWER OVERALL RETURN TO THAILAND. THAILAND HAS A GREAT POTENTIAL FOR EXPANDING PRODUCTION OF RICE, BUT ITS AGRICULTURAL POLICIES ARE NOW GEARED TO DIVERSIFICATION, PRECISELY TO PROTECT THAILAND AGAINST DEPENDENCE ON A SINGLE AGRICULTURAL EXPORT. RICE EXPORTS HAVE BEEN SUBJECT IN PAST TO EXTREME FLUCTUATIONS IN PRICE ON WORLD MARKETS. THAILAND HAS BEEN SUCCESSFUL IN DIVERSIFYING AND IS NOW AMONG THE WORLD'S LEADING EXPORTERS OF SUGAR, TAPIOCA AND CORN. PINEAPPLE IS ALSO BECOMING A SIGNIFICANT FOREIGN EXCHANGE EARNER. RUBBER EXPORTS HAVE RISEN DRAMATICALLY AND RANK AMONG MOST IMPORTANT FOREIGN EXCHANGE EARNERS AS WELL. UNQUESTIONABLY, WITH EXPANDED IRRIGATION INVESTMENT, INCREASED USE OF FERTILIZER AND GREATER USE OF HIGH YIELDING VARIETIES AT LEAST A DOUBLING OF RICE PRODUCTION FROM PRESENT 15 MILLION TONS OF PADDY ANNUALLY COULD BE ACHIEVED IF THERE WERE AN ADEQUATE PRICE INCENTIVE AT THE FARM LEVEL. UNDER PREVAILING RTG RICE TAXATION POLICY, AND GIVEN VOLATILITY OF PRICES IN INTERNATIONAL TRADE, INCENTIVE IS LACKING FOR ANY SIGNIFICANT EXPANSION IN RICE PRODUCTION.

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PAGE 02 BANGKO 08142 02 OF 02 171035Z

9. ENERGY: THE MAIN RTG INTEREST AT THE MOMENT LIES IN REACHING AGREEMENT ON A PRICE FORMULA WITH U.S. OIL COMPANIES WHICH HAVE DISCOVERED SMALL BUT HIGHLY PROMISING POCKETS OF NATURAL GAS IN THE GULF OF SIAM. THE THAI HOPE TO DEVELOP THESE ASSETS TO REDUCE THE GROWING PETROLEUM IMPORT BILL (US DOLS 1.0 BILLION IN 1977), WHICH ACCOUNTS FOR ABOUT 25 PER CENT OF TOTAL IMPORTS. THE VICE PRESIDENT SHOULD BE AWARE OF THE MAJOR U.S. COMPANY INTEREST IN THESE DEPOSITS. PREVIOUSLY, ELECTRICAL AUTHORITIES IN THAILAND TOOK STEPS TOWARDS ACQUIRING A US-MANUFACTURED NUCLEAR POWER PLANT, BUT, IN THE FACE OF ESCALATING COSTS AND OPPOSITION ON ENVIRONMENTAL GROUNDS BY SOME GROUPS, HAVE DEFERRED THEIR PLANS UNTIL THE MID-1980'S.

10. REGARDING ALTERNATE ENERGY SOURCES, WITH EXCEPTION OF NUCLEAR POWER RTG AND UNIVERSITY SCIENTISTS HAVE NOT SHOWN MUCH INITIATIVE, BUT WOULD WITHOUT DOUBT WELCOME USG ASSISTANCE IN SOLAR AND WIND ENERGY RESEARCH. THAI WOULD PROBABLY WELCOME U.S. OFFER OF ASSISTANCE TO ASEAN ALTERNATE ENERGY SURVEY. THAI ALSO HAVE EXTENSIVE OIL SHALE RESOURCES NEAR MAE SOT ON THAI-BURMA BORDER. MINISTRY OF INDUSTRY GEOLOGISTS AND MINING ENGINEERS HAVE CARRIED OUT MODEST EXPLORATION PROGRAM DURING PAST TWO YEARS BUT HAVE FELT STYMIED BY COST AND COMPLEXITIES OF SHALE OIL PRODUCTION TECHNIQUES. U.S. ASSISTANCE IN HELPING THAI DETERMINE

WHETHER THEIR OIL SHALE DEPOSITS ARE ECONOMICALLY EXPLOITABLE  
MIGHT BE WELCOME.

11. ISSUES THAI MAY RAISE: AGREE WITH POINTS IN PARA 7 OF REF A.  
KRIANGSAK WILL SEEK ASSURANCES WE APPRECIATE POSITION OF POTENTIAL  
DANGER IN WHICH THAILAND FINDS ITSELF, WHILE IT PURSUES ITS  
EFFORTS TO NORMALIZE RELATIONS WITH ITS COMMUNIST INDOCHINESE  
NEIGHBORS. IN THIS CONNECTION ASSISTANT SECRETARY HOLBROOKE'S  
TESTIMONY MARCH 14 BEFORE SUB-COMMITTEE OF HOUSE INTERNATIONAL  
RELATIONS COMMITTEE PROVIDES PARTICULARLY GOOD STATEMENT OF WHAT  
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PAGE 03 BANGKO 08142 02 OF 02 171035Z

THAI WOULD LIKE TO HEAR: QTE THAILAND'S LONG AND VULNERABLE LAND  
BORDERS MAKE THE QUESTIONS OF THE FUTURE BEHAVIOR OF ITS COMMUNIST  
NEIGHBORS--ESPECIALLY HEAVILY ARMED VIET-NAM--A MATTER OF  
PARTICULAR CONCERN. GIVEN THE POTENTIAL THREAT TO THAILAND  
FROM THE INDOCHINA COUNTRIES--AND WE CANNOT IGNORE THE VIET-NAM/  
CAMBODIA CONFLICT--AS WELL AS THE EXTERNAL SUPPORT TO ITS IN-  
SURGENTS, THE UNITED STATES SHOULD CONTINUE TO SUPPLY MILITARY  
ASSISTANCE TO THAILAND. ITS SECURITY NEEDS AND THE CONFIDENCE OF  
ITS PEOPLE AS WELL AS THAT OF ITS NON-COMMUNIST NEIGHBORS, WILL  
BE SERVED BY ITS ABILITY TO MAINTAIN A MILITARY ESTABLISHMENT  
ADEQUATE FOR DEFENSE AND DETERRENCE. END QTE.

12. KRIANGSAK WILL WANT TO STRESS THE IMPORTANCE THE THAI ATTACH  
TO ASEAN AND HIS INTENTION TO PLAY A CONSTRUCTIVE REGIONAL ROLE.  
HE WILL JUST HAVE FINISHED HIS PEKING VISIT WHEN THE VICE  
PRESIDENT ARRIVES AND WILL SURELY WANT TO DISCUSS IT.

13. THAILAND HAS LARGELY RECOVERED FROM THE INITIAL SHOCK WHICH  
THE FALL OF SAIGON AND PHNOM PENH CAUSED TO ITS SELF-ASSURANCE  
AND SENSE OF SECURITY. SUCCEEDING THAI GOVERNMENTS HAVE MADE  
CONSIDERABLE PROGRESS IN ADJUSTING TO THE NEW SITUATION IN  
SOUTHEAST ASIA. THAI CONFIDENCE AND SELF-ASSURANCE ARE BRITTLE,  
HOWEVER, AND THE VISIT OF THE VICE PRESIDENT PROVIDES AN EXCEL-  
LENT OPPORTUNITY TO REASSURE THE THAI OF CONTINUED AMERICAN  
FRIENDSHIP AND UNDERSTANDING AS THE SITUATION IN SOUTHEAST  
ASIA EVOLVES.  
WHITEHOUSE

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** VICE PRESIDENT, VISITS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 mar 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BANGKO08142  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780118-1296  
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**Legacy Key:** link1978/newtext/t19780357/aaaabvsv.tel  
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**Office:** ACTION EA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** STADIS  
**Reference:** 78 STATE 62372, 78 STATE 65815, 78 BANGKOK 7012  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 03 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3297472  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ISSUES FOR VICE PRESIDENT'S VISIT  
**TAGS:** PEPR, OVIP, TH, US  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/67a417c5-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014